

Message Text

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC 6410

C O N F I D E N T I A L SECTION 1 OF 3 MANILA 10328

E.O. 11652: GDS

TAGS: EAGR, RP

SUBJECT: LAND REFORM

REF: MANILA A-206

SUMMARY: (1) PROFESSOR ROY PROSTERMAN'S THREE-WEEK VISIT WHICH ENDED AUGUST 17 INCLUDED MEETINGS WITH SENIOR GOP OFFICIALS INVOLVED WITH LAND REFORM, SEVERAL DAYS OF FIELD TRAVEL AND PREDEPARTURE SESSION WITH EXECUTIVE SECRETARY MELCHOR. PROSTERMAN EXPRESSED HIS CONCLUSION TO MELCHOR IN WRITTEN MEMORANDUM THAT DRAMATIC SLOWDOWN IN IMPLEMENTATION PROGRAM WHICH OCCURRED SINCE HIS LAST VISIT HAS JEOPARDIZED PROGRAM. HE STRESSED THAT PROGRAM COULD BE REINVIGORATED BUT THAT UNLESS STRONG POSITIVE ACTIONS ARE TAKEN VEFOR YEAR END, PROGRAM WILL FAIL. IN PROSTERMAN'S OPINION ESSENTIAL CHANGES IN PROGRAM ADMINISTRATION AND GREATLY LIBERALIZED COMPENSATION TERMS MUST BE RAPIDLY MANDATED FROM THE TOP. HE ASSERTS COLLAPSE OF LAND REFORM WILL SERIOUSLY WEAKEN LOCAL POLITICAL SUPPORT, POSSIBLY RESULTING IN POLITICAL UNREST IN CENTRAL LUZON, AND EVOKE A STRONG NEGATIVE RESPONSE IN INTERNATIONAL PRESS TOWARD MARCOS ADMINISTRATION. HOWEVER, HE FSELS THAT IF MARCOS REVIVES STRONG COMMITMENT TO LAND REFORM, MULTILATERAL AID DONORS CAN BE RALLIED TO HELP FUND INCREASED CASH COMPENSATION TO LANDLORDS WHICH IN HIS VIEW WILL BE CRITICAL FACTOR IN STRENGTHENED PROGRAM.

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(2) PROSTERMAN MEASURES SUCCESS PHILIPPINE LAND REFORM SOLELY IN TERMS OF TENANCY REFORM, I.E., TRANSFER LAND TO TENANTS. MEASURED AS SUCH EMBASSY/USAID AGREE THAT WITHOUT STRONG REMEDIAL ACTION, PROGRAM COULD ESSENTIALLY FAIL BY END OF YEAR. INEPT PERFORMANCES IN LAND REFORM WOULD DEPRIVE MARTIAL LAW REGIME OF ONE OF ITS PRINCIPAL CLAIMS TO LEGITIMACY, ESPECIALLY FROM OVERSEAS VIEWPOINT. ON OTHER HAND, WE BELIEVE PROSTERMAN'S PREDICTIONS OF DIRE SOCIAL AND POLITICAL CONSEQUENCES ARE OVERDRAWN IN ANY IMMEDIATE SENSE.

(3) PROSTERMAN BELIEVES IT ESSENTIAL LANDLORD RETENTION LIMIT BE REDUCED TO SEVEN HECTARES IN ORDER HAVE ACCEPTABLE REFORM. WE ESTIMATE PRESIDENT WILL SUPPORT FURTHER INCREASE SCOPE OF PROGRAM, BUT BE QUIETLY SATISFIED WITH CONVERSION OF 30 PERCENT TO 40 PERCENT OF RICE AND CORN TENANTS TO OWNERS; WE ARE NOW AT 10 PERCENT LEVEL. AT THIS POINT IT IS TOO EARLY TO JUDGE WHETHER ATTENTION DRAWN TO PROGRAM FAILINGS WILL STIMULATE RENEWED COMMITMENT TO REFORM. PROSTERMAN HAS CLEARLY INTRODUCED REAL IRRITANT CAUSING GOP AT LEAST REVIEW ITS RECORD AND RAISE DEFENSES. EXPECT CLEARER READING AT PRESIDENT'S SPEECH OCTOBER 21 ON ANNIVERSARY OF DECREE EMANCIPATING TENANTS. BY THAT TIME WE SHOULD BE ABLE TO BETTER ASSESS PROGRAM AND DETERMINE OUR FUTURE ROLE IF ANY IN THIS PROGRAM.

(4) ANOTHER MEASURE , OF COURSE, OF PHILIPPINE GOVERNMENT CONCERN FOR CHANGE IN THE RURAL AREA IS PROGRESSIVE IN PROVIDING SMALL FARMERS WITH THE COMPREHENSIVE PACKAGE OF SUPPORT SERVICES AND INFRASTRUCTURE GENERALLY SUBSUMED UNDER THE HEADINGS "AGRARIAN REFORM" AND "RURAL DEVELOPMENT." HERE PHILIPPINE PERFORMANCE HAS BEEN QUITE GOOD- EXPANDED AGRICULTURAL CREDIT, RURAL ELECTRIFICATION, ROADS, NUTRITION, ETC. SINCE THESE ACTIVITIES WERE NOT ADDRESSED BY MR. PROSTERMAN, AND DO NOT BEAR DIRECTLY ON THE LAND TRANSFER PROCESS, THEY ARE NOT DEALT WITH IN THIS MESSAGE. END SUMMARY.

1. PROSTERMAN FIELD TRAVEL IN NUEVA ECIJA AND BULACAN FOR ONE WEEK IN AUGUST REVEALED AND SUBSTANTIATED TREMENDOUS STATISTICAL DIFFERENCES BETWEEN NATIONAL COMPUTER CENTER REPORTS OF LAND TRANSFER CERTIFICATES ISSUED AT MANILA AND ACTUAL DISTRIBUTION TO RECEIPIENTS. AS HE AND KORIN OF

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USAID STAFF EXAMINED EACH ECHELON FURTHER REMOVED FROM CENTRAL OPERATIONS IN MANILA THEY FOUND INCREASING NUMBERS OF CERTIFICATES BEING HELD UP OR RETURNED TO MANILA FOR CORRECTION OF ERRORS TO THE POINT THAT A MAXIMUM OF ONLY 50 PERCENT ARE REACHING TENANTS, AND PERHAPS AS FEW AS 25 PERCENT. AS AN EXAMPLE, PROSTERMAN CITES 59,000 CERTIFICATES ARE REPORTED AS ISSUED TO NEUVA ECIJA FROM MANILA, WHILE PROVINCE RECORDS INDICATE 46,000 AS RECEIVED WITH 12,000

OF THESE HELD PENDING UNRESOLVED PROBLEMS, MAINLY VARIOUS LANDLORD OBJECTIONS. FURTHER REDUCTION IN CERTIFICATES DELIVERED IS ATTRIBUTED TO LARGE NUMBERS (PROSTERMAN ESTIMATES 25 PERCENT) RETURNED TO MANLA BECAUSE OF ERRORS WITHOUT ANY BEING REISSUED, AND RETENTION AT DAR TEAM OFFICES (MUNICIPALITIES AND BARRIOS FOR VARIETY OF REASONS, E.G., FARMER HAS NOT JOINED A SAMAHANG NAYON (BARRIO ASSOCIATION), OR LANDLORD CLAIMS OF HOLDINGS BEING IN AN EXEMPT CATEGORY. IN INTERVIEWS WITH 151 TENANT FARMERS IN FOUR BARRIOS ONLY ONE HAD RECEIVED A TRNASFER CERTIFICATE.

2. WE RECOGNIZE PROSTERMAN'S LIMITED INVESTIGATION COULD RESULT IN SERIOUS SAMPLING ERROR WHEN PROJECTED NATIONWIDE. TO DATE LAND TRANSFER CERTIFICATES HAVE BEEN ISSUED IN LARGE BLOCS COVERING BIG ESTATES WHICH ARE SCATTERED THROUGHOUT COUNTRYSIDE. HOWEVER, SINCE LOACTIONS PROSTERMAN VISITED ARE IN THE MAJOR TENANTED RICE AREA AND SINCE NUEVA ECIA HAS RECEIVED APPROXIMATELY ONE-FOURTH OF ALL CERTIFICATES ISSUED TO DATE IT IS LIKELY HIS FINDINGS MAY NOT BE SIGNIFICANTLY OVERSTATED. INDEED THEY TEND TO BE VERIFIED BY DAVID WURFEL, A POLITICAL SCIENTIST CONDUCTING INDEPENDENT RESEARCH IN CAMARINES SUR AND CAPIZ, WHOSE FINDINGS INDICATE ONLY 10 PERCENT OF CERTIFICATES ISSUED ARE REACHING FARMERS HANDS.

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3. STIFFEINING LANDLORD RESISTANCE TO PROGRAM IS EVIDENCED BY INCREASED EFFORTS TO SHIFT LAND INTO CATEGORIES THAT

WOULD EXEMPT IT FROM P.D. 27. ONE FLAGRANT EXAMPLE OF LANDLORD EVASION UNCOVERED BY PROSTERMAN IN NUEVA ECIIJA IS BY AN UNKNOWN LADY, FLORA GARCIA, WHO APPEARED INMAY WITH PAPER ALLEGING OWNERSHIP OF 16,800 HECTARES DESTINED FOR SUGARCANE PRODUCTION, A LARGE PORTION OF WHICH IS ACTUALLY IN RICE AND CORN AND INCLUDES LAND GIVEN TO EX-HUKS IN MAGSAYSAY'S TIME. CLAIM WOULD MAKE LAND EXEMPT FROM REFORM. MELCHOR SUBSEQUENTLY INFORMED USAID DIRECTOR CASE HAD BEEN REVIEWED AND GARCIA LAND "IS NOT SUITABLE FOR RICE." ALSO PROSTERMAN REPORTED LARGE CHANGES OF LAND USE TO "URBAN" AND "INDUSTRIAL" CATEGORIES AND PARTITIONING OF HOLDINGS AMONG RELATIVES INTO UNITS OF LESS THAN SEVEN HECTARES. IN RECENT MONTHS LANDLORD INFLUENCED CABANATUAN AND PALYAN CITY COUNCILS HAVE PROPOSED REZONING TO "URBAN" CATEGORY LARGE AREAS UNDER RICE CULTIVATION THEREBY SEEKING EXEMPTION FROM LAND REFORM. ALSO, IN PAST TWO MONTHS LOCAL DAR OFFICIALS HAVE BEEN SUBJECTED TO CRIMINAL CHARGES BY LANDLORDS. SINCE OFFICIALS HAVE TO PAY THEIR OWN LEGAL EXPENSES UP TO CERTAIN POINT IN PROCEEDINGS, THIS TACTIC IS A SEVERE DISINCENTIVE TO VIGOROUS IMPLEMENTATION OF REFORM. IN SUM, PROSTERMAN CONCLUDES TREND OF ACCELERATING OBSTRUCTIONISM IS SUCH THAT IN ABSENCE OF CORRECTIVE MEASURES IT WILL SOON BECOME OBVIOUS THAT ADMINISTRATION IS NO LONGER REALLY SUPPORTING

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PROGRAM.

4. PROSTERMAN EMPHASIZES THAT ALTHOUGH LANDLORDS ARE OPPOSED TO LAND REFORM UNDER CURRENT CONDITIONS THEY WOULD ACCEPT THE REFORM IF IT INVOLVED FASTER AND MORE ADEQUATE COMPENSATION. IN THIS RESPECT, PROSTERMAN VIEW IS UNCHANGED FROM EARLIER VISITS. HE STATES THAT PHILIPPINES IS TRYING TO GET LAND REFORM ON THE CHEAP BY INADEQUATE COMPENSATION AND IT WILL NOT WORK. SO FAR ONLY 30 LANDLORDS HAVE BEEN COMPENSATED WITH TERMS OF 10 PERCENT CASH AND THE BALANCE IN NON-INFLATION ADJUSTING 25 YEAR BONDS AT 6 PERCENT INTEREST. LANDLORDS IN GENERAL SEE THIS AS ALMOST NO REMUNERATION FOR THEIR LAND ESPECIALLY IN VIEW OF PRESENT RATE OF INFLATION. PROSTERMAN RECOMMENDS COMPENSATION FOR THE OVER 24 HECTARE LANDLORDS (HE ESTIMATES 600,000 HECTARES) BE CONTINUED UNDER THE SAME TERMS OF 10 PERCENT CASH AND 90 PERCENT BONDS, BUT BONDS BE READILY MONETIZED BY VIGOROUSLY ENCOURAGING THEIR USE AS COLLATERAL FOR APPROVED INVESTMENTS. HE SUGGESTS ANOTHER 600,000 HECTARES WHICH COMPRISE THE 7 TO 24 HECTARE RANGE SHOULD BE COMPENSATED MORE LIBERALLY, E.G., IN 50 PERCENT CASH AND 50 PERCENT BONDS.

5. HE CALCULATES A TOTAL NOMINAL LAND VALUE OF 8.4 BILLION PESOS BASED ON AN AVERAGE 7,000 PESOS PER HECTARE FOR 1.2 MILLION HECTARES, BUT SUGGESTS THAT EFFECTIVE PAYMENTS OF AROUND

PESOS 3,000/HECTARE WOULD PROVED ACCEPTABLE TO GREAT MAJORITY OF LANDOWNERS. THIS WOULD MEAN TOTAL COSTS OF AROUND 1-4 BILLION PESOS. HE SEES PAYMENTS SCHEDULED OVER A FOUR YEAR PROGRAM AND ADVOCATES A MAJOR TRANSFER OF GOP BUDGET RESOURCES FROM OTHER PROJECTS TO LAND REFORM. A MAJOR PROBLEM IS THAT ALL AVAILABLE GOVERNMENT FUNDS HAVE BEEN PROGRAMMED FOR OTHER PRIORITY PROJECTS. NEITHER FINANCE SECRETARY VIRATA NOR NEDA CHAIRMAN SICAT PUT LARGE CASH OUTLAYS FOR LAND REFORM CLOSE TO THE TOP OF THEIR PRIORITIES, PREFERRING TO HELP FARMER BY PROGRAMS OF RURAL DEVELOPMENT, RURAL ELECTRIFICATION, AGRICULTURAL CREDIT, MASAGANA 99 AND IRRIGATION - ALL OF WHICH ARE IMPORTANT TO EX-TENANTS AS WELL AS OTHER FARMERS AS MEANS FOR INCREASING INCOME BUT WHICH ARE NOT DESIGNED TO PUT LAND IN EX-TILLER HANDS.

6. VIRATA AND SICAT ASSIGN HIGH PRIORITY TO CONTROL OF INFLATION AND TO INFRASTRUCTURAL DEVELOPMENT. STEP-UP IN LANDLORD COMPENSATION WOULD GENERATE FURTHER EXPANSIONARY
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PRESSURES, ESPECIALLY ON PROSTERMAN TIMETABLE UNLESS GOP WILLING TO UNDERTAKE CONSIDERABLE SHIFT IN DOMESTIC PRIORITIES AND RESOURCES. PROSTERMAN BELIEVES THAT IF LAND REFORM REINVIGORATED, IBRD, JAPAN, AND U.S. WOULD BE WILLING SUBSTANTIALLY ASSIST IN COMPENSATION PROGRAM. HOWEVER, FOREIGN FINANCING WOULD ONLY TRANSFER THE SOURCE OF FUNDING AND UNLESS OTHER EXPENDITURES ARE CUT WOULD EXACERBATE EXPANSIONARY PRESSURES. PHILIPPINE FINANCE OFFICIALS AND PRESIDENT MARCOS HAVE T DATE GIVEN OTHER PROJECTS, E.G., INFRASTRUCTURE, HIGHER PRIORITY IN USE OF DOMESTIC RESOURCES THAN LAND REFORM, AND THEY HAVE PREFERRED NOT TO SEEK FOREIGN FINANCING, WITH ITS ATTENDANT INCREASE IN FOREIGN DEBT. THIS VIEW APPEARS REINFORCED NOW BY GROWTH IN ENERGY RELATED IMPORT COSTS.

7. PROSTERMAN CONCLUDED THAT LAND TRANSFER PROGRAM NOW IN CRITICAL TROUBLE, BUT THAT SITUATION CAN BE CORRECTED IF GOVERNMENT TAKES SWIFT, FORCEFUL ACTION WITHIN THE NEXT THREE TO FOUR MONTHS TO REVERSE CURRENT TRENDS. IF IT DOES NOT, HE FEELS THAT PROGRAM WILL BE FAILURE. HE FEELS THAT POLITICAL CONSEQUENCES OF THIS PARTICULARLY UNREST IN CNETRAL LUZON) WOULD BE SEVERE IN SHORT RUN AND COULD BE DISASTROUS IN LONG RUN. PROSTERMAN ALSO OBSERVES THAT NEGATIVE IMPACT ON WORLD OPINION RE "NEW SOCIETY" WOULD BE PROFOUND.

8. BEFORE DEPARTURE PROSTERMAN MET WITH EXECUTIVE SECRETARY MELCHOR AND IN ADDITION TO SUGGESTED WAYS AND MEANS TO CHANGE COMPENSATION HE RECOUNTED GLOOMY CONCLUSIONS ON RECENT POOR PERFORMANCE WHICH KEY DAR OFFICIALS PRESENT DID NOT DENY. RECOGNIZING SERIOUSNESS OF REPORT MELCHOR WELCOMED IT AS EXTERNAL AUDIT, MADE DETAILED MINUTES OF MEETING AND ASSURED PROSTERMAN THE PRESIDENT WOULD BE INFORMED AND

CORRECTIVE ACTIONS TAKEN WHERE WARRANTED. MELCHOR REITERATED SEVERAL TIMES THAT LAND REFORM STILL "CORNERSTONE OF NEW SOCIETY", PROSTERMAN ALSO BELIEVED ESTRELLA IN HONOLULU ON PROSTERMAN'S RETURN TO U. S.

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9. BEGIN COMMENT: WE THINK PROSTERMAN EXAGGERATED LIKELY REACTION OF FARMERS TO A PARTIAL LAND REFORM. DESPITE INFLATION AND CONTINUED TENANCY, MOST FARMERS ARE NOW RELATIVELY PROSPEROUS COMPARED TO RECENT PAST. BUT SHARPLY REDUCED PROGRAM COULD RESULT IN CONSIDERABLE EROSION OF PUBLIC CONFIDENCE IN GOVERNMENT NATION-WIDE. MOST SERIOUS IMPACT WOULD BE IN CENTRAL LUZON, BUT EVEN HERE FAILURE OF PROGRAM WOULD PROBABLY NOT RESULT IN IMMEDIATE SECURITY PROBLEM UNLESS COUPLED WITH CRITICAL DECLINE IN RURAL PROSPERITY. WE BELIEVE LAND REFORM PROGRAM WHICH PRESIDENT (AND MELCHOR IN PROSTERMAN MEETING) HAS REPEATEDLY CALLED THE CORNERSTONE OF HIS REGIME WOULD, IF ABBREVIATED, MAKE NEW SOCIETY PROGRAMS VULNERABLE TO INTERNATIONAL CRITICISM. CERTAINLY ESTRELLA'S CLAIMS THAT LAND REFORM, HAVING (ALLEGEDLY) DISTRIBUTED HECTARAGE ABOVE 24 HECTARES, HAS BROKEN THE BACK OF LANDLORDISM AND HENCE OTHER TENANTS NEED NOT RECEIVE LAND, WON'T WASH AGAINST THE RHETORIC OF THE PROGRAM EITHER AT HOME OR ABROAD. PROSTERMAN CONSIDERS SEVEN HECTARE LANDLORD RETENTION LIMIT WHICH INCLUDES ABOUT 62 PERCENT OF TENANTS AS MINIMAL LEVEL ACCEPTABLE FOR GENUINE REFORM. OUR CURRENT THINKING IS THAT MARCOS, EVEN THOUGH HE MAY INSTRUCT AND VERBALLY PRESS FOR THAT LEVEL, LIKELY

ACCEPT SOMETHING FAR LESS, PERHAPS REACHING 30 TO 40 PERCENT OF TENANTS OVER EXTENDED PERIOD OF TIME AS SUFFICIENT TO MEET HIS PERSONAL OBJECTIVES. RESULTS ARE NOW AT ROUGHLY 10 PERCENT LEVEL.
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10. AS REF AIR STATES, NEW SOCIETY IS BASED PRIMARILY ON SUPPORT OF THE MIDDLE CLASS, AND WHILE PRESIDENT HAS NEVER RENEGED PUBLICLY ON HIS PLEDGE IN PD, #2 AND #27 TO EMANCIPATE RICE AND CORN TENANTS, IT IS WIDELY REPORTED AND BELIEVED THAT HE IS INCREASINGLY IMPRESSED BY ARGUMENT THAT TAKING LAND FROM THOSE WHO HOLD 24 HECTARES OR LESS WOULD BE A BLOW AT MIDDLE CLASS. PROLIFERATION OF ADDITIONAL PROBLEMS IN RECENT MONTHS, INCLUDING MUSLIM INSURGENCY, ENERGY CRISIS AND NEED FOR EXPANDED RICE PRODUCTION PROGRAM, MAY HAVE CAUSED HIM TO CONCLUDE THAT THIS IS A PARTICULARLY BAD TIME (IF A GOOD TIME EVER EXISTED) TO OFFEND MIDDLE AND SMALL LANDLORDS WHO CONSTITUTE KEY CONSTITUENCY. CLEAR INDICATION THAT MACOS VACILLATING CAME IN FEBRUARY WHEN ESTELLA, ALLEGEDLY WITH PRESIDENTIAL BACKING, REVISED APPLICATION PD #27 PROVISION ON LAND VALUATION FOR COMPENSATION BY INSTRUCTING LANDLORDS AND TENANTS TO NEGOTIATE PRICE RATHER THAN FIXING PRICE AT 2-1/2 TIMES NORMAL HARVEST. ALSO NOTEWORTHY THAT HIGHLY PUBLICIZED PARADE "HISTORY OF THE RACE" OPENING MISSUNIVERSE CONTEST IN JULY CONSPICUOUSLY OMITTED REFERENCE TO LAND REFORM, AS DID MAJOR POLICY REVIEW BY MARCOS ON AUGUST 16TH SPEECH BEFORE PHILIPPINE CHAMBER OF INDUSTRIES. SINGLE REFERENCE TO LAND REFORM IN AUGUST 16TH SPEECH COMING FEW DAYS AFTER PROSTERMAN FINDINGS KNOWN TO HIM WAS AD LIB COMMENT THAT SOME FOREIGN EXPERTS MADE MISTAKE OF MEASURING PROGRESS ON LAND REFORM SOLELY ON BASIS OF SPEED OF LAND TRANSFERS; MARCOS' TEXT THEN RECOUNTED AS MAJOR ACHIEVEMENT OF NEW SOCIETY EXPANSION CREDIT TO SMALL FARMERS, RURAL ELECTRIFICATION, IRRIGATION, FEEDER ROADS, FERTILIZER SUBSIDIES AND RICE AND CORN PURCHASING PROGRAMS. PERHAPS ENCOURAGED BY THESE SIGNS OF LUKEWARMING TREND, MIDDLE AND SMALL LANDLORDS ARE BESIEGING PRESIDENT WITH APPEALS NOT TO DEPRIVE THEM OF THEIR HARD EARNED WEALTH IN LAND.

11. DESPITE WHAT MARCOS MUST HAVE VIEWED AS POLITICAL MERIT IN ORIGINALLY ADVOCATING LAND REFORM PROGRAM, RECENT DECISIONS CONTRADICTORY TO LAND REFORM POLICY INDICATE LACK OF CONFIDENCE BY MARCOS THAT NATION'S RICE NEEDS CAN BE BEST MET BY RAPIDLY CONVERTING TENANT FARMERS TO FARM OWNERS. FOR EXAMPLE, PRIVATE FIRMS WITH OVER 500 EMPLOYEES ARE NOW ORDERED TO SUPPLY RICE FOR EMPLOYEES BY GROWING IT THEMSELVES OR BUYING
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IMPORTED RICE FROM NGA. FURTHER INCONSISTENCY IN LAND REFORM IMPLEMENTATION IS LAND BANK INVESTMENT IN URGAN BUILDINGS, ACQUISITION OF FORECLOSED PROPERTIES HELD BY OTHER GOVERNMENT AGENCIES AND FARM PRODUCTION CREDIT PROGRAMS RATHER THAN CONCENTRATION ON RAPID REIMBURSEMENT OF FORMER LANDLORDS.

12. PROSTERMAN FEELS THAT REVELATION OF EXTENT TO WHAT

PROGRAM IS FOUNDERING MAY SHOCK PRESIDENT MARCOS AND AWAKE COUNTER MEASURES. NATURE AND EXTENT OF PRESIDENTIAL RESPONSE WILL OFFER CRITICAL EVIDENCE TO JUDGE INTENTIONS. IF NOT BEFORE, PRESIDENT'S ANNOUNCEMENT ON OCTOBER 21, THIRD ANNIVERSARY OF PD 27, SHOULD GIVER US CLEAR READING AS TO HIS INTENTIONS. THIS IN TURN SHOULD ENABLE US TO REACH JUDGEMENT REGARDING FUTURE OF THA PROGRAM AND DETERMINE IF AND WHETHER OUR ROLE SHOULD BE CHANGED.
SULLIVAN

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